Government of Saskatchewan

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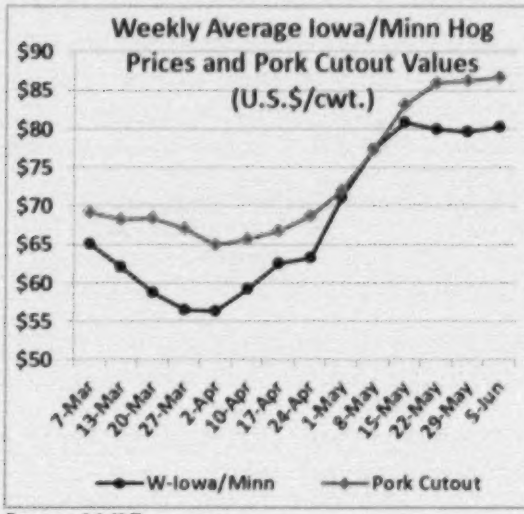
Weekly Hog Report

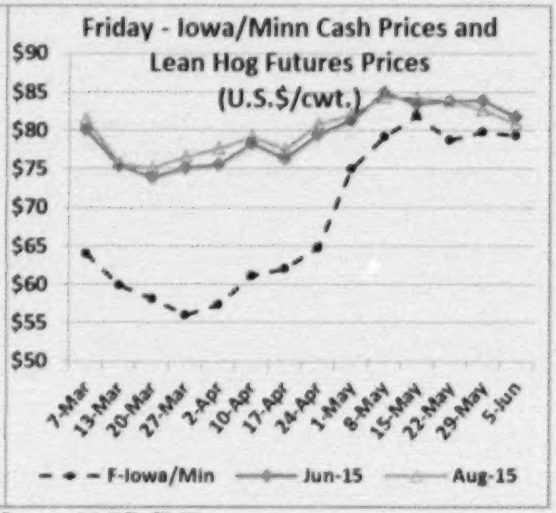
June 8, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were relatively steady last week but ended the week lower; week-over-week. Hog prices on Friday averaged US$79.30 per cwt, down US$0.47 per cwt from US$79.77 per cwt the previous Friday. The negotiated base price for the week averaged US$80.23 per cwt, up US$0.57 per cwt or 0.7 per cent from US$79.66 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

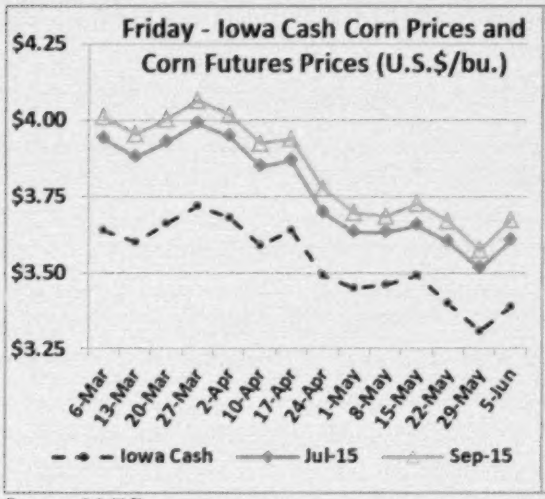
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday June 5, 2015 was $181.54 per ckg, down $4.60 per ckg or 2.5 per cent from $186.14 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $182.72 per ckg, up $1.92 per ckg or 1.1 per cent from the previous weeks' average price of $180.80 per ckg. The Canadian dollar edged lower last week to close Friday at 80.39 cents; down slightly from the previous Friday's close of 80.41 cents.

Futures Markets

Lean hog futures daily prices were mixed last week and ended the week lower, week-over-week. The nearby June 2015 contract declined US$2.150 per cwt to settle Friday at US$81.675 per cwt, while the August contract declined US$1.675 per cwt to settle Friday at US$80.825 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices declined noticeably last week. Weighted average cash prices for iso-weans (12lb) last week were US$32.98 per head, down US$5.57 per head from US$38.55 per head the previous week. Feeders (40lb) were US$55.70 per head, down $9.23 per head from US$64.93 per head the previous week. Higher feed prices and lower lean hog futures prices put downward pressure on the iso-wean and feeder pig markets.



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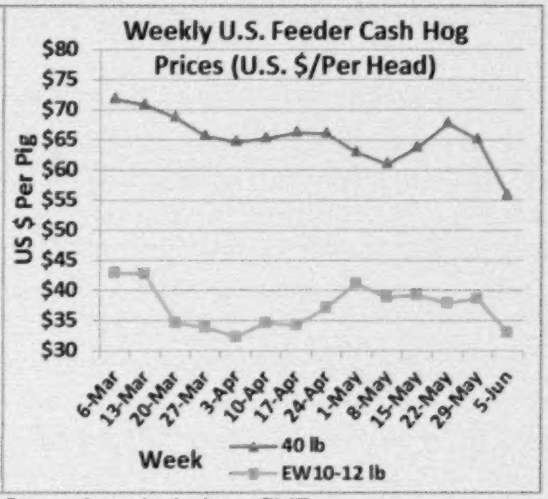


Source: Iowa Agriculture, CME

Iowa cash corn prices were higher last week increasing eight cents per bushel to end Friday at US$3.39 per bushel. U.S. daily corn futures prices were mostly higher over the week and ended higher, week-over-week. The July corn futures contract increased nine cents to settle Friday at US$3.60½ per bushel, while the September corn futures contract increased just over ten cents per bushel to settle Friday at US$3.67½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending June 6 were estimated at 2.124 million head, up 14.4 per cent from 1.856 million head the previous shorter holiday week, and up 10.3 per cent from 1.926 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks averaged 2.062 million head per week, up 8.1 per cent from 1.908 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending May 30, 2015 were estimated at 393,063 head, up 12.9 per cent from 348,131 head the previous shorter holiday week, and up 2.8 per cent from 382,185 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending May 30, 2015, were estimated to average 387,087 head, up 3.4 per cent from 374,391 head over the same period a year ago.

In Western Canada, hogs slaughtered over the last four weeks ending May 30, 2015 averaged 158,543 head, up 2.4 per cent from 154,786 head over the same four weeks a year ago. Western Canadian hogs slaughtered year-to-date totaled 3.644 million head, up about 3.2 per cent from 3.530 million head the same period a year ago.

Meat Production

U.S. pork production for the week ending June 6, 2015 was estimated at 452.0 million lb., up 14.3 per cent from 395.4 million lb. the previous shorter holiday week, and up 9.0 per cent from 414.8 million lb. the same week a year ago. Pork production over the last four weeks ending June 6 was estimated to average 439.2 million lb., up 6.8 per cent from 411.4 million lb. over the same four week period a year ago.

U.S. beef production for the week ending June 6, totaled 446.6 million lb., up 4.7 per cent from 426.6 million lb. the previous shorter holiday week, but down 8.6 per cent from 488.7 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 30, 2015, was estimated to average 1.957 billion lb., up 3.7 per cent from 1.888 billion lb. over the same four weeks a year ago. Total U.S. meat production year-to-date for 2015 is estimated to be up 4.0 per cent compared to the same period in 2014.

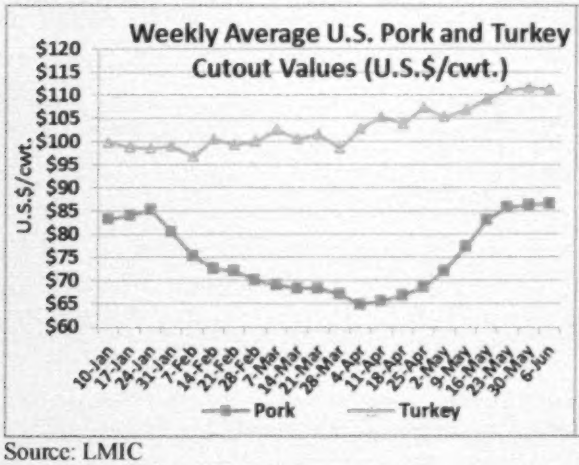
United States Weekly Meat Production

(May 30) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	415.9	438.6	5.4%	6.5%
Beef	461.1	452.3	-1.9%	-3.8%
Chicken	884.9	946.2	6.9%	7.1%
Turkey	125.6	119.6	-4.8%	2.6%
Total	**1,887.5**	**1,956.7**	**3.67%**	**4.02%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending June 6, 2015 averaged US$86.68 per cwt, up US$0.34 per cwt or 0.4 per cent from US$86.34 per cwt the previous week, but down 27.1 per cent from US$118.87 per cwt from a year ago. Pork cutout values were steady over the week with small gains while beef and chicken cutouts declined.



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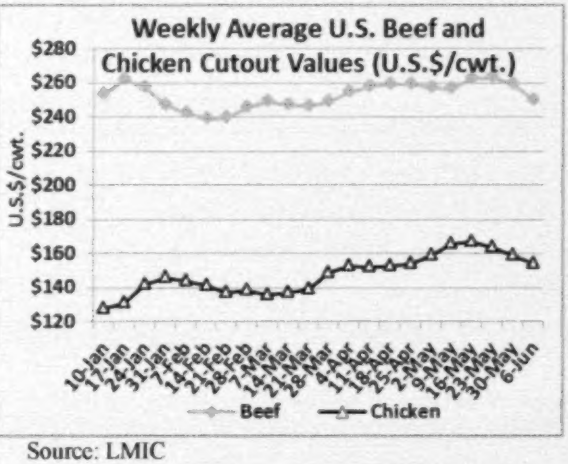

Source: LMIC

Average beef cutout values (Choice 600-900 lb.) for the week ending June 6 averaged US$249.66 per cwt, down US$9.44 per cwt from US$259.10 per cwt from the previous week, but up 7.7 per cent from US$231.81 per cwt the same week a year ago.

Average chicken cutout values (Northeast breast) for the week ending June 6 averaged US$153.60 per cwt, down US$5.30 per cwt from US$158.90 per cwt from the previous week and down 21.5 per cent from US$195.63 per cwt the same week a year ago.

United States Pork Exports

United States exported 200,125 metric tons of pork plus pork variety meats in April 2015, up 4.8 per cent from 191,041 metric tons in March 2015, and up 3.7 per cent from 192,924 metric tons in April 2014. By dollar amount, U.S. pork exports in April 2015 were US$512.1 million, up 3.4 per cent from US$495.2 million in March 2015, but down 14.1 per cent from US$596.4 million in April 2014. U.S. exports by volume in April 2015 were higher to Mexico, South Korea and Hong Kong, but lower to China, Japan, and Canada; year-over-year. (Source: U.S. Meat Export Federation)

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